



Commonwealth of Kentucky Public Protection Cabinet

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FOR IMMEDIATE RELEASE

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Kentucky's Department of Financial Institutions Protects Louisa Bank Customers

***DFI Takes Possession of Louisa Community Bank, the Department expects no
disruption as bank reopens as branch of Kentucky Farmers Bank***

Frankfort, Ky. (Oct. 25, 2019) – At 4 p.m. today, Commissioner Charles A. Vice of the Department of Financial Institutions (DFI) took possession of Louisa Community Bank, a state-chartered commercial bank headquartered in Louisa, Kentucky, and a member of the Federal Deposit Insurance Corporation (FDIC). Commissioner Vice appointed the FDIC as receiver, and FDIC immediately entered into a purchase and assumption agreement with Kentucky Farmers Bank, Catlettsburg, KY, to assume all Louisa Community Bank deposits.

The DFI and FDIC have been closely monitoring Louisa Community Bank and determined that the bank was critically undercapitalized. Earlier this year, both regulatory agencies notified the institution of its capital designation and provided time for the bank to either raise capital or locate an acquisition partner. The bank's actions to address its capital designation were unsuccessful. In accordance with Kentucky Revised Statutes and the FDI Act, Commissioner Vice took possession of the bank to protect customers and the public and placed the bank in receivership.

Chartered on Aug. 7, 2006, and headquartered at 4393 Highway 2565, Louisa, Kentucky, Louisa Community Bank had approximately \$29.7 million in total assets and \$26.5 million in total deposits as of June 30, 2019. In addition to assuming all of the deposits of the failed bank, Kentucky Farmers Bank Corporation agreed to purchase essentially all of the assets.

On Saturday, Oct. 26, 2019, Louisa Community Bank will reopen as a branch of Kentucky Farmers Bank and will resume regular business hours. Kentucky Farmers Bank will automatically transfer all customer accounts from Louisa Community Bank to Kentucky Farmers Bank. FDIC insurance will remain in effect for all deposits. The DFI encourages all customers of Louisa Community Bank to continue to use the 4393 Highway 2565 location. Once Kentucky Farmers Bank completes standard system transfers, all branches will be able to process transactions for former Louisa Community Bank customers.

This evening and over the weekend, depositors of Louisa Community Bank can access deposited funds by writing checks or using ATM or debit cards. Checks will continue to be processed, and loan customers should continue to make payments as usual. The Department does not anticipate disruption to the Bank's customers and depositors.

Louisa customers with questions about the transaction should call the FDIC toll-free at 1-877-755-6665. The phone number will be operational this evening until 9:00 p.m., Eastern Time (ET); on Saturday from 8:00 a.m. to 6:00 p.m., ET; on Sunday from noon to 6:00 p.m., ET; on Monday from 8:00 a.m. to 8:00 p.m., ET; and thereafter from 9:00 a.m. to 5:00 p.m., ET.

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DFI, <http://kfi.ky.gov>, is an agency in the Public Protection Cabinet. For more than 100 years, DFI has supervised the financial services industry by examining, chartering, licensing and registering various financial institutions, securities firms and professionals operating in Kentucky. DFI's mission is to serve Kentucky residents and protect their financial interests by maintaining a stable financial industry, continuing effective and efficient regulatory oversight, promoting consumer confidence, and encouraging economic opportunities.